

# **CINCINNATI HOMEOWNER INFILL AND REHABILITATION PROGRAM (CHIRP)**

## **Guideline and Procedure Update 11/29/01**

**Question: How long do I have to complete my project if it is funded?**

**Answer:** One year with the possibility of a six month extension based on extenuating circumstances and prior approval by Department of Neighborhood Services (DNS). All applicants to this program should be ready to proceed prior to applying.

**Question: If I have already started work on the project that I am requesting funding for is the project still eligible?**

**Answer:** You may not be eligible. It depends on the work that has already been completed. It is recommended that developers not begin work on projects prior to obtaining approval by DNS if they intend to seek funding through the program. Please contact staff on an individual basis if you have already begun work on your project.

**Question: I would like to do a project but I may have difficulty meeting the pre-sale requirement. Do I have to pre-sell the unit to be eligible?**

**Answer:** The City would like to see a pre-sale however; we would waive the requirement on one to two unit projects. If you are doing a three unit project, you **must** pre-sell at least one unit.

**Question: How do I receive the funds if my project is approved?**

**Answer:** You must wait until a formal contract with the City has been signed and fully executed. Funds will be released based on the applicants choice of option I or II. Funding commitments can be made within 30 - 45 days depending on the number of applications received at one time. Funding commitments are a letter from DNS stating that the application meets the basic funding criteria, the possible funding amount, and the source of funds (HOME, CDBG, or Capital).

**Question: How is gap financing determined?**

**Answer:** Gap financing is determined by the difference between the amount to construct or rehab a unit and the sales price of the unit. Example: A house will sale for \$75,000 on the market however, it will take \$100,000 to rehab the unit. This represents a \$25,000 gap in financing.

**Question: What if the financing gap is higher than \$30,000?**

**Answer:** The City's maximum subsidy is \$30,000 for a single-family unit and \$42,000 for a two-family. If the gap is more than these amounts, you must show other sources to finance the gap or reduce the costs of the project.